

POTTER TOWNSHIP
CENTRE COUNTY
PENNSYLVANIA

**Ordinance No. 05 of 2024
Amendment to Ordinance No. 2 of 2024**

**AN AMENDMENT TO ORDINANCE NO. 2 OF
2024 AUTHORIZING THE INCURRING OF
NON-ELECTORAL DEBT EXECUTION AND
PRIVATE SALE OF A FEDERALLY TAX-
EXEMPT GENERAL OBLIGATION NOTE AND
PLEDGING THE TOWNSHIP'S FULL FAITH,
CREDIT, AND TAXING AUTHORITY AS
SECURITY.**

WHEREAS, Potter Township, Centre County, Pennsylvania (the "Township") adopted Ordinance No. 2 of 2024 on July 1, 2024 authorizing the incurrence of \$500,000 of non-electoral debt and selecting Jersey Shore State Bank as Purchaser of such debt; and

WHEREAS, the Township authorized the execution of a Note based on a Proposal from the Purchaser in the amount of \$500,000; and

WHEREAS, the Township wishes to provide various covenants in association with its execution of the Note; and

WHEREAS, the Township wishes to provide an updated specimen Note for the loan.

NOW, THEREFORE, it is enacted and ordained by the BOARD OF SUPERVISORS of TOWNSHIP OF POTTER, COUNTY OF CENTRE, PENNSYLVANIA as follows:

SECTION 1. COVENANTS. The Township hereby covenants that it shall include the amount of debt service on the Note for each fiscal year in which sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the Township is hereby irrevocably pledged.

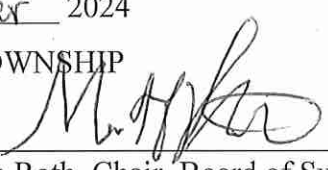
SECTION 2. SPECIMEN NOTE. The Note shall be substantially in the form set forth in Exhibit A hereto.

SECTION 3. ORDINANCE OTHERWISE RATIFIED. Except as modified herein,
Ordinance No. 2 of 2024 shall remain in full force and effect.

ENACTED this 18th day of November 2024

POTTER TOWNSHIP

By: _____


Glenn Roth, Chair, Board of Supervisors

Attest: _____



Lisa Kroner, Secretary

Exhibit "A"
\$500,000.00

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF CENTRE
TOWNSHIP OF POTTER
General Obligation Note, Series of 2024
Tax-Exempt
Dated November 15, 2024

TOWNSHIP OF POTTER, Centre County, Pennsylvania (the "Issuer"), a township existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, promises to pay to the order of **JERSEY SHORE STATE BANK**, State College, Pennsylvania (the "Purchaser"), the principal sum of up to FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00).

This Note shall bear interest at a fixed tax-exempt rate of 4.99% per annum. Interest shall be calculated on a 365/360 day basis.

Beginning on December 15, 2024 and for the next twelve (12) months, the Issuer shall make monthly payments of interest on the unpaid principal balance due and payable on the 15th day of each month (the "Interest Only Period"). Beginning on December 15, 2025, the Issuer shall make monthly payments of principal and interest in an amount necessary to amortize the outstanding principal amount over a period of sixty (60) months due and payable on the 15th day of each month until the Maturity Date. On November 15, 2030 (the "Maturity Date"), the Issuer shall make payments of all principal, interest, and other amounts due under this Note. An informational amortization schedule is attached hereto as Exhibit A. It is understood, however, that the terms of this Note, and not the terms of the amortization schedule shall dictate payment amounts hereunder.

This Note may be prepaid by the Issuer, in whole or, from time to time, in part, on any date, provided, however, that since this Note evidences a non-revolving line of credit, Issuer is not permitted to reborrow hereunder. Borrower may repay any amount hereunder at any time and from time to time without premium or penalty.

This Note is issued by Issuer to the Purchaser in connection with a certain line of credit made available by the Purchaser to Issuer (the "Credit") which, subject to all applicable provisions in this Note and in any and all other agreements between the Issuer and the Purchaser related hereto, may be advanced by the Purchaser from time to time (an "Advance") in reliance upon any oral, telephonic, written, teletransmitted or other request (the "Request(s)") that the Purchaser in good faith believes to be valid and to have been made by Issuer or on behalf of Issuer by the Township Secretary. The Purchaser may act on the Request of the Township Secretary until the Purchaser shall have received from Issuer, and had a reasonable time to act on, written notice revoking the authority of the Township Secretary. Issuer acknowledges that the transmission between Issuer and Purchaser of any Request or other instructions with respect to the Credit involves the possibility of errors, omissions, misinterpretations, fraud and mistakes, and agrees to adopt such internal measures and operational procedures as may be necessary to prevent such occurrences. By reason thereof, Issuer hereby assumes all risk of loss and responsibility for, and releases and discharges the Purchaser from any and all responsibility or liability for, and agrees to indemnify, reimburse on demand and hold Purchaser harmless from, any and all claims, actions, damages, losses, liability and expenses by reason of, arising out of, or in any way connected with or related to: (i) Purchaser's accepting, relying on and acting upon any Request or other instructions with respect to the Credit; or (ii) any such error, omission, misinterpretation, fraud or mistake, provided such error, omission,

misinterpretation, fraud or mistake is not directly caused by the Purchaser's gross negligence or willful misconduct. The Purchaser shall incur no liability to Issuer or to any other person as a direct or indirect result of making any Advance pursuant to this paragraph. Any Request for an Advance hereunder shall be limited in amount, such that the sum of (i) the principal amount of such Request; and (ii) the Outstanding Principal Amount under this Note; does not exceed the Maximum Principal Amount under this Note. Notwithstanding the above, the Purchaser shall have the sole and absolute discretion whether to make any Loan (or any portion of any Loan) requested by Issuer, regardless of any general availability under the Maximum Principal Amount. In making any Request for an Advance, Issuer shall specify the aggregate amount of such Advance and the date such Advance is to be made; provided, however, if a Request is received by the Purchaser after 2:00 p.m. (Eastern Standard Time) on any given day, the earliest possible date of Advance will be the next New York Business Day. Delivery of a Request for a Loan shall be made to the Purchaser at such address designated by the Purchaser from time to time.

Upon the occurrence of a default on this loan, the applicable interest rate shall increase by four percent (4%) per annum. In the event that any payment of interest or principal and/or interest is not received by the Purchaser within fifteen (15) days after the due date, the Purchaser may collect a late charge of five percent (5%) of such payment.

This Note has been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the "Act") of the Commonwealth, and by virtue of a duly adopted Ordinance (the "Ordinance") of the Issuer. The Act, as such shall have been in effect when this Note was authorized, and the Ordinance shall constitute a contract between the Issuer and registered owners, from time to time, of this Note. The Purchaser shall have the right to exercise the remedies set forth in the Act. Any failure by the Purchaser to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege, or to exercise any other right or privilege, at any time, and from time to time, thereafter.

The Issuer has covenanted, in the Ordinance, to and with registered owners, from time to time, of this Note that shall be outstanding, from time to time, pursuant to the Ordinance, that the Issuer: (i) shall include the amount of the debt service for this Note, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year; (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds, the principal of this Note and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and taxing power; (iv) and shall provide its financial statement to the Purchaser upon reasonable request.

The Note is a bank qualified tax-exempt obligation designated by the Issuer for the purposes and effect of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

If interest payable on the Note is determined at any point during the term of the loan not to be exempt from federal tax or it is determined that the Note served as an arbitrage bond under federal law, the Note will reset to its taxable equivalent rate, as determined by the Purchaser, and the Issuer shall pay to the Purchaser the difference between the amount of interest which the Purchaser should have received at the taxable rate and the actual amount of interest paid since the execution of the Note. The Issuer shall also pay any and all interest and penalties accrued by the Purchaser due to such determination of taxability.

No recourse shall be had for the payment of principal of or interest on this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present or future, of the Issuer or any successor body, as such, either directly or through the Issuer or any successor body, under any constitutional provision, statute or rule of law, or by enforcement of any assessment or by any legal or

equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Note.

This Note is transferable or exchangeable by the registered owner hereof upon surrender of this Note to Purchaser, at its principal office, accompanied by a written instrument or instruments in form with instructions, and with guaranty of signature satisfactory to the Issuer and Purchaser, duly executed by the registered owner of this Note or his attorney-in-fact or legal representative. Upon surrender, Purchaser shall enter any transfer of ownership of this Note in the registration books and shall reissue this Note to the transferee with notation of such registration written hereon. The Issuer and any paying agent designated by the Issuer may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Note shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer and any such paying agent shall not be affected by any notice to the contrary.

It hereby is certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and name, as required by law; (ii) the debt represented by this Note, together with any other indebtedness of the Issuer, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Issuer; and (iii) for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this Note the entire full faith, credit and taxing power of the Issuer is hereby irrevocably pledged.

The Issuer, in the Ordinance, has established a sinking fund into which funds for the payment of the principal of and the interest on this Note shall be deposited not later than the date fixed for the disbursement thereof. The Issuer has covenanted, in the Ordinance, to make payments from such sinking fund or from any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Note.

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name by the signature of the Chair of the Board of Supervisors, and a facsimile of its seal to be affixed hereto and the signature of the Secretary of the Issuer to be affixed hereto in attestation thereof, all as of the ____ day of June, 2024.

TOWNSHIP OF POTTER
Center County, Pennsylvania

ATTEST:

By _____
Chair, Board of Supervisors

Secretary
[SEAL]

REGISTRATION RECORD

Date of Registration	Name of Registered Owner	Registrar (Authorized representative)
November 15, 2024	Jersey Shore State Bank State College, Pennsylvania	Jersey Shore State Bank State College, Pennsylvania

ASSIGNMENT

FOR VALUE RECEIVED, _____ (the "Transferor"), the undersigned, hereby sells, assigns and transfers unto

Name (the "Transferee")

Address

Social Security or Federal Employer Identification No. _____

the within General Obligation Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within General Obligation Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature: _____

NOTICE: No transfer will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within General Obligation Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust and the name of the trustee should be supplied.

Exhibit A
Amortization Schedule

Payment Number	Due Date	Starting Balance	Interest Payment	Principal Payment	Total Payment	Ending Balance
1	12/15/2024	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
2	1/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
3	2/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
4	3/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
5	4/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
6	5/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
7	6/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
8	7/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
9	8/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
10	9/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
11	10/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
12	11/15/2025	\$500,000.00	\$2,079.17	\$0.00	\$2,079.17	\$500,000.00
13	12/15/2025	\$500,000.00	\$2,079.17	\$7,354.16	\$9,433.33	\$492,645.84
14	1/15/2026	\$492,645.84	\$2,048.59	\$7,384.74	\$9,433.33	\$485,261.10
15	2/15/2026	\$485,261.10	\$2,017.88	\$7,415.45	\$9,433.33	\$477,845.65
16	3/15/2026	\$477,845.65	\$1,987.04	\$7,446.29	\$9,433.33	\$470,399.36
17	4/15/2026	\$470,399.36	\$1,956.08	\$7,477.25	\$9,433.33	\$462,922.11
18	5/15/2026	\$462,922.11	\$1,924.98	\$7,508.35	\$9,433.33	\$455,413.76
19	6/15/2026	\$455,413.76	\$1,893.76	\$7,539.57	\$9,433.33	\$447,874.19
20	7/15/2026	\$447,874.19	\$1,862.41	\$7,570.92	\$9,433.33	\$440,303.27
21	8/15/2026	\$440,303.27	\$1,830.93	\$7,602.40	\$9,433.33	\$432,700.87
22	9/15/2026	\$432,700.87	\$1,799.31	\$7,634.02	\$9,433.33	\$425,066.85
23	10/15/2026	\$425,066.85	\$1,767.57	\$7,665.76	\$9,433.33	\$417,401.09
24	11/15/2026	\$417,401.09	\$1,735.69	\$7,697.64	\$9,433.33	\$409,703.45
25	12/15/2026	\$409,703.45	\$1,703.68	\$7,729.65	\$9,433.33	\$401,973.80
26	1/15/2027	\$401,973.80	\$1,671.54	\$7,761.79	\$9,433.33	\$394,212.01
27	2/15/2027	\$394,212.01	\$1,639.26	\$7,794.07	\$9,433.33	\$386,417.94
28	3/15/2027	\$386,417.94	\$1,606.85	\$7,826.48	\$9,433.33	\$378,591.46
29	4/15/2027	\$378,591.46	\$1,574.31	\$7,859.02	\$9,433.33	\$370,732.44
30	5/15/2027	\$370,732.44	\$1,541.63	\$7,891.70	\$9,433.33	\$362,840.74
31	6/15/2027	\$362,840.74	\$1,508.81	\$7,924.52	\$9,433.33	\$354,916.22
32	7/15/2027	\$354,916.22	\$1,475.86	\$7,957.47	\$9,433.33	\$346,958.75
33	8/15/2027	\$346,958.75	\$1,442.77	\$7,990.56	\$9,433.33	\$338,968.19
34	9/15/2027	\$338,968.19	\$1,409.54	\$8,023.79	\$9,433.33	\$330,944.40
35	10/15/2027	\$330,944.40	\$1,376.18	\$8,057.15	\$9,433.33	\$322,887.25
36	11/15/2027	\$322,887.25	\$1,342.67	\$8,090.66	\$9,433.33	\$314,796.59
37	12/15/2027	\$314,796.59	\$1,309.03	\$8,124.30	\$9,433.33	\$306,672.29
38	1/15/2028	\$306,672.29	\$1,275.25	\$8,158.08	\$9,433.33	\$298,514.21

39	2/15/2028	\$298,514.21	\$1,241.32	\$8,192.01	\$9,433.33	\$290,322.20
40	3/15/2028	\$290,322.20	\$1,207.26	\$8,226.07	\$9,433.33	\$282,096.13
41	4/15/2028	\$282,096.13	\$1,173.05	\$8,260.28	\$9,433.33	\$273,835.85
42	5/15/2028	\$273,835.85	\$1,138.70	\$8,294.63	\$9,433.33	\$265,541.22
43	6/15/2028	\$265,541.22	\$1,104.21	\$8,329.12	\$9,433.33	\$257,212.10
44	7/15/2028	\$257,212.10	\$1,069.57	\$8,363.76	\$9,433.33	\$248,848.34
45	8/15/2028	\$248,848.34	\$1,034.79	\$8,398.54	\$9,433.33	\$240,449.80
46	9/15/2028	\$240,449.80	\$999.87	\$8,433.46	\$9,433.33	\$232,016.34
47	10/15/2028	\$232,016.34	\$964.80	\$8,468.53	\$9,433.33	\$223,547.81
48	11/15/2028	\$223,547.81	\$929.59	\$8,503.74	\$9,433.33	\$215,044.07
49	12/15/2028	\$215,044.07	\$894.22	\$8,539.11	\$9,433.33	\$206,504.96
50	1/15/2029	\$206,504.96	\$858.72	\$8,574.61	\$9,433.33	\$197,930.35
51	2/15/2029	\$197,930.35	\$823.06	\$8,610.27	\$9,433.33	\$189,320.08
52	3/15/2029	\$189,320.08	\$787.26	\$8,646.07	\$9,433.33	\$180,674.01
53	4/15/2029	\$180,674.01	\$751.30	\$8,682.03	\$9,433.33	\$171,991.98
54	5/15/2029	\$171,991.98	\$715.20	\$8,718.13	\$9,433.33	\$163,273.85
55	6/15/2029	\$163,273.85	\$678.95	\$8,754.38	\$9,433.33	\$154,519.47
56	7/15/2029	\$154,519.47	\$642.54	\$8,790.79	\$9,433.33	\$145,728.68
57	8/15/2029	\$145,728.68	\$605.99	\$8,827.34	\$9,433.33	\$136,901.34
58	9/15/2029	\$136,901.34	\$569.28	\$8,864.05	\$9,433.33	\$128,037.29
59	10/15/2029	\$128,037.29	\$532.42	\$8,900.91	\$9,433.33	\$119,136.38
60	11/15/2029	\$119,136.38	\$495.41	\$8,937.92	\$9,433.33	\$110,198.46
61	12/15/2029	\$110,198.46	\$458.24	\$8,975.09	\$9,433.33	\$101,223.37
62	1/15/2030	\$101,223.37	\$420.92	\$9,012.41	\$9,433.33	\$92,210.96
63	2/15/2030	\$92,210.96	\$383.44	\$9,049.89	\$9,433.33	\$83,161.07
64	3/15/2030	\$83,161.07	\$345.81	\$9,087.52	\$9,433.33	\$74,073.55
65	4/15/2030	\$74,073.55	\$308.02	\$9,125.31	\$9,433.33	\$64,948.24
66	5/15/2030	\$64,948.24	\$270.08	\$9,163.25	\$9,433.33	\$55,784.99
67	6/15/2030	\$55,784.99	\$231.97	\$9,201.36	\$9,433.33	\$46,583.63
68	7/15/2030	\$46,583.63	\$193.71	\$9,239.62	\$9,433.33	\$37,344.01
69	8/15/2030	\$37,344.01	\$155.29	\$9,278.04	\$9,433.33	\$28,065.97
70	9/15/2030	\$28,065.97	\$116.71	\$9,316.62	\$9,433.33	\$18,749.35
71	10/15/2030	\$18,749.35	\$77.97	\$9,355.36	\$9,433.33	\$9,393.99
72	11/15/2030	\$9,393.99	\$39.06	\$9,393.99	\$9,433.05	\$0.00

*** This amortization schedule assumes full disbursement of the non-revolving line of credit at closing. Actual amounts due during the interest-only period may be less if less than the full disbursement is taken at that time. Additionally, if the full amount of the loan is not disbursed by the end of the Interest-Only Period, then the payment amounts after amortization occurs shall be less than found in this amortization schedule.

